

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 99-0373 AGI

**ADJUSTED GROSS INCOME TAX
FOR TAX PERIOD: 1997**

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Issues

Adjusted Gross Income Tax: Imposition on Gambling Income

Authority: IC 6-3-2-1,

Taxpayer protests the imposition of the adjusted gross income tax on gambling receipts.

Statement of Facts

Upon review of Taxpayer's 1997 Indiana Adjusted Gross Income Tax return, the Indiana Department of Revenue disallowed Taxpayer's claimed gambling losses. Taxpayer protested the disallowance. More facts will be provided as necessary.

Adjusted Gross Income Tax: Imposition on Gambling Income

Discussion

An adjusted gross income tax is imposed upon all Indiana residents. IC 6-3-2-1. During 1997 Taxpayer received income from gambling. Taxpayer reported that income on page one of his 1040. The gambling winnings were reflected in Taxpayer's Federal Adjusted Gross Income which was entered on line 1 of his IT-40. Taxpayer took a deduction for gambling losses on the federal itemized deductions schedule, Schedule A. Indiana does not recognize Schedule A itemized deductions. Indiana law does not allow a deduction for gambling losses.

Finding

Taxpayer's protest is denied.